

TOWN OF DAVIE TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Gary P. Shimun, Town Administrator

PREPARED BY: Russell C. Muniz, CMC, MBA, CPPT, Town Clerk

SUBJECT: Ordinance

AFFECTED DISTRICT: Town-Wide

ITEM REQUEST: **Schedule for Council Meeting**

TITLE OF AGENDA ITEM: PLAN AMENDMENT - AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING ADOPTION AGREEMENT SECTION E (3)(d) TO PERMIT PROMOTED MANAGERIAL EMPLOYEES TO UPGRADE THEIR PRIOR GENERAL EMPLOYEE SERVICE BY PAYING THE FULL ACTUARIAL COST OF SUCH SERVICE; AMENDING ADOPTION AGREEMENT SECTION G(3) REGARDING THE CALCULATION OF PENSION BENEFITS FOR GENERAL EMPLOYEE MEMBERS WHO ARE PROMOTED TO MANAGERIAL POSITIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

REPORT IN BRIEF: The Town's Managerial and General Employees Pension plan provides a two-tiered structure for the calculation of retirement benefits. The current plan language makes no distinction for the calculation of retirement benefits when general employees are promoted into the managerial level, as defined by the plan. This ordinance seeks to address this scenario and would also provide that any general employees who are promoted into the management level, as defined by the plan, would be able to upgrade their prior general employee service by paying the full actuarial cost of such service.

PREVIOUS ACTIONS: Ordinance 2004-002 established the Management and General Employees pension plan.

CONCURRENCES:

FISCAL IMPACT: No

Has request been budgeted? n/a

RECOMMENDATION(S):

Attachment(s): Motion to approve the ordinance.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AMENDING THE TOWN OF DAVIE RETIREMENT PLAN AND TRUST FOR MANAGEMENT AND GENERAL EMPLOYEES; AMENDING ADOPTION AGREEMENT SECTION E(3)(d) TO PERMIT PROMOTED MANAGERIAL EMPLOYEES TO UPGRADE THEIR PRIOR GENERAL EMPLOYEE SERVICE BY PAYING THE FULL ACTUARIAL COST OF SUCH SERVICE; AMENDING ADOPTION AGREEMENT SECTION G(3) REGARDING THE CALCULATION OF PENSION BENEFITS FOR GENERAL EMPLOYEE MEMBERS WHO ARE PROMOTED TO MANAGERIAL POSITIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 2004 the Town established a Retirement Plan and Trust for Management and General Employees;

WHEREAS, the Management and General Employee contains different benefits for general and management employees;

WHEREAS, the Board of Trustees of the Plan has recommended amendment of the plan to specifically address the treatment of General Employee service for members who have been promoted into Managerial positions;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, THAT:

Section 1: Paragraph E(3)(d) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

E. CREDITED SERVICE

(d) Management Employees who have been promoted from a General Employee position: If a Management Employee, as defined by Section 1.18.1, previously purchased credited service prior to being promoted, the Management Employee shall be provided the opportunity to pay the additional full actuarial cost to upgrade the prior service in order to obtain the Management Employee benefit corresponding to the prior service.

Section 2: Paragraph G(3) of the Adoption Agreement of the Retirement Plan and Trust for the Management and General Employees of the Town of Davie is hereby amended to read as follows:

G. BENEFIT AMOUNTS AND ELIGIBILITY

G(3) Benefit for Management Employees who have been Promoted from a General Employee Position:

Effective October 1, 2008, Management Employees, as defined by Section 1.18.1, who have been promoted from a General Employee position shall be entitled to all Management Employee benefits, except that all prior service as a General Employee shall be treated as General Employee Service, rather than Management Employee Service for benefit calculation purposes. In such event, Average Final Compensation for calculating the General Employee component of the benefit shall be defined as 1/12 of the highest average earnings during the **three (3)** best years of creditable service.

Section 3: The instrument which represents the terms of said Plan and Trust will be and remain an exhibit to this Ordinance, remanded to the custody of the Town representative who will maintain such for public inspection.

Section 4: If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

Section 5: All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 6: This Ordinance shall become effective as of October 1, 2008.

PASSED on first reading by the Town Council of the Town of Davie, Florida, this ____ day of _____, 2008.

PASSED AND ADOPTED on the second reading by the Town Council of the
Town of Davie, Florida, this ____ day of _____, 2008.

MAYOR

VICE MAYOR

Attest:

City Clerk

Coding: Words in stricken type are deletions from existing text.
Words in underline type are additions.

